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# **Minutes**

## **Board of Natural Resources Meeting**

December 4, 2007  
Natural Resources Building, Olympia, Washington

### **BOARD MEMBERS PRESENT**

The Honorable Doug Sutherland, Commissioner of Public Lands (via conference call)  
The Honorable Terry Bergeson, Superintendent of Public Instruction (via conference call)  
Bruce Bare, Dean, University of Washington, College of Forest Resources (via conference call)  
Bob Nichols, for Governor Christine Gregoire

### **BOARD MEMBERS ABSENT**

Daniel J. Bernardo, Dean, Washington State University, College of Agricultural, Human, and Natural Resource Sciences  
The Honorable Jon C. Kaino, Commissioner, Pacific County

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### **CALL TO ORDER**

Bob Nichols called the meeting to order at 9:05 a.m. on, December 4, 2007 in Room 172 of the Natural Resources Building.

Bruce Mackey explained to the Board that due to the inclement weather and flooding conditions, Bruce Bare was unable to attend the meeting to act as Chair. He suggested that the Board appoint Bob Nichols as Chair Pro Tem.

MOTION: Chair Sutherland moved to appoint Bob Nichols Chair Pro Tem for the December 4, 2007 Board of Natural Resources Meeting.

SECOND: Terry Bergeson seconded.

ACTION: Motion passed unanimously.

### **APPROVAL OF MINUTES**

MOTION: Bruce Bare moved to approve the November 6, 2007 Board of Natural Resources Meeting Minutes.

SECOND: Terry Bergeson seconded.

ACTION: Motion passed unanimously.

### **PUBLIC COMMENTS FOR AGENDA ACTION ITEMS**

None

## **TIMBER SALES (Action Item)**

### Proposed Timber Sales for January 2008 (Handout 1)

Jon Tweedale greeted the Board. He presented the November timber sale results.

#### November 2007 Sales Results:

13 sales offered & 11 sold; 45.2 mmbf offered & 42.7 mmbf sold; \$11 million minimum bid & \$11.9 million sold; \$244/mbf offered & \$279/mbf sold; average number of bidders = 2.4

#### Proposed January 2008 Board Sales:

19 sales at 84.3 mmbf; \$19.8 million minimum bid; average \$235/mbf.

Mr. Bare asked if the questions from the Olympic Forest Coalition (OFC) about the sales in Clallam County had been addressed.

Mr. Tweedale stated that their question had been addressed, and that the question has been on a number of different sales. He explained that the OFC disagrees with the interpretation and implementation of the Department's riparian restoration and treatment strategy in the Olympic Experimental State Forest (OESF). The United States Fish & Wildlife Service (USFWS) wrote back in support of DNR's implementation and interpretation; a copy of that letter is in today's board packet. The USFWS service concurs that the Department is implementing the HCP appropriately.

Mr. Bare asked Mr. Tweedale to explain the difference between the harvest type labeled "late rotation thin" as noted on the Deer Creek partial cut in Skagit County, as opposed to a commercial thinning.

Mr. Tweedale explained that this thinning is a partial cut and is located in nesting, roosting, and foraging owl habitat (NRF), which is creating multi-story habitat in NRF. He further explained that it is not a thinning from above or below, but rather from the middle which creates the multi-story stand creating habitat.

Chair Sutherland inquired if the comments we have received regarding the Clallam County objections are the standard comments from all the work that has been done in that area.

Mr. Tweedale replied that it is the same issue, but is not a standard or canned comment. The OFC is questioning each sale in the OESF, focusing on the same issue.

Chair Sutherland asked if we are ever going to get past the issue or will we continue to have this same comment.

Mr. Tweedale replied that he is not optimistic that we will be able to get past it. DNR staff is meeting with the OFC and are working diligently to understand and address their concerns, but

the implementation is consistent with USFWS interpretation of our HCP, and ours as well, which leaves a fundamental disagreement. He is not sure where or when a resolution might occur.

Mr. Bare inquired about the silvicultural objectives of the Gunsmoke Thinning sale in Lewis & Pacific counties.

Mr. Tweedale responded that the sale consists of site one and site two ground, and that it is a high site ground in Douglas fir which is being thinned to maintain vigor and growth.

Ms. Bergeson asked for an explanation of site one, site two designation.

Mr. Tweedale explained that site one is the highest level soil growing capacity for our area and goes on to site two, three, four, five and six. The determination is made using metrics.

MOTION: Terry Bergeson moved to approve the January 2008 timber sales.

SECOND: Bruce Bare seconded.

ACTION: Motion passed unanimously.

## **LAND TRANSACTIONS**

Debi Van Buren greeted that Board. She explained that she will be presenting two transfers which are part of a larger repositioning strategy called the Whatcom County Project. The project is modeled after the King and Snohomish projects. The goal is to facilitate the repositioning and diversification by replacing non-revenue generating trust lands with income generating property; part of the efficiencies created includes batching transactions when possible. The selection process starts with a review of the regional inventory assessments identifying properties that have been identified for repositioning. These parcels are usually small and isolated and are difficult to manage, have low or no revenue generated, and often interest has been shown through local or state government or the private sector to acquire the property. Ms. Van Buren pointed out that 20 isolated parcels have been identified as a result of the Whatcom Project review process; she will be presenting two of those parcels for the Board's approval today. The Whatcom County Public Works Department has requested a direct transfer to them for Deming and River Road parcels which she is presenting to the Board today.

### Deming Road Direct Transfer #02-81251 (Handout 2)

Ms. Van Buren came forward to present the Deming Road transaction. She explained that this transaction is a direct transfer, consisting of 54 acres of common school trust land. The property is located 8 miles northeast of Bellingham, a half a mile south of the Mt. Baker highway. The property is along the Nooksack River and is zoned agricultural. It was appraised at \$190,000, which is \$3500 per acre. The Department recommends approval of this direct transfer to Whatcom County Public Works.

### River Road Direct Transfer #02-81273 (Handout 3)

The River Road direct transfer is just under 25 acres of common school trust land, south and west of Lynden and 5 miles south of the U.S./Canadian border. The property is along the Nooksack River and is zoned agricultural. It is appraised at \$125,000, which is \$5,000 per acre.

Ms. Bergeson asked if both were transfers to the County.

Ms. Buren confirmed that both transactions are direct transfers to Whatcom County Public Works. The Deming parcel will be kept in its natural state for salmon habitat, the River Road parcel is being acquired for flood control.

Mr. Nichols asked if "batching" is a new term.

Ms. Van Buren stated that they first used the term four years ago when they were working on the Grant County batch sales which included 14 parcels that were put through the process for a public auction. She further explained that she will be bringing 6 to 7 public auctions to the Board in February.

Mr. Nichols stated that he understands this to be a systematic effort by the Department to clean up.

Ms. Van Buren replied that is the case, they are using the region inventory assessments strategically.

MOTION: Terry Bergeson moved to approve resolution 1246.

SECOND: Bruce Bare seconded.

ACTION: Motion passed unanimously.

MOTION: Terry Bergeson moved to approve resolution 1247.

SECOND: Bruce Bare seconded.

ACTION: Motion passed unanimously

#### Staley Road Direct Transfer #02-77903 (Handout 4)

Roger Huestis greeted the Board. He went on to provide a presentation of the Staley Road direct transfer to the Public Utility District #1 of Stevens County. The County is acquiring the 160 acres for a sewer treatment facility. The parcel is located 20 miles northwest of Spokane, 3 miles north of Suncrest and the Spokane River. He noted that 19 parcels with over 3000 acres shown on the vicinity map, with the exception of three parcels, all have been proposed in the South Stevens Exchange. The parcel contains 160 acres of agricultural school trust land, zoned agricultural which means it can be divided into 20 acre home sites. The property surrounding this parcel is already zoned into 10 or 20 acre lots, which makes it highly developable. The sale value was determined at \$568,000 by an independent appraiser, which is \$448,000 for the land and \$120,000 for the timber.

Mr. Nichols asked if the surrounding properties are DNR lands, why are we proposing to take this land out of DNR management.

Mr. Huestis replied that property is not good timber land because of public encroachment and trespass issues such as garbage dumping, timber theft, and tree mortality due to target practice on trees. We have harvested most of the available timber but the highest best use is home sites. To gain a net return for the trust the Department feels we could do better elsewhere.

Mr. Nichols asked if the other parcels will be disposed of.

Mr. Huestis replied that all the parcels in the vicinity are proposed to go with the South Stevens Exchange. There are parcels west and one parcel north of Spokane that we will retain, everything else is proposed to be disposed of.

MOTION: Terry Bergeson moved to approve resolution 1248.

SECOND: Bruce Bare seconded.

ACTION: Motion passed unanimously

Ms. Bergeson excused herself from the meeting at 9:30 a.m.

## **CHAIR REPORTS**

### South Stevens Land Exchange (Handout 5)

Chair Sutherland asked Steve Saunders to give a brief overview of the South Stevens Land Exchange and bring the presentation back to the January meeting.

Mr. Saunders suggested that he present the overview to each Board member individually prior to the next meeting in order to bring the exchange to the Board for approval in January.

Mr. Bare stated he has already been briefed.

Chair Sutherland also stated that he is familiar with the exchange.

Mr. Nichols asked if there is a connection between the last transaction and the upcoming transaction.

Mr. Saunders replied that concerns came up about the need for parcels for infrastructure, such as parks, fire, and schools during discussions with state and local government, as well as local citizens and county commissioner's. Staff has been working with the local community to identify what parcels to cut out of the exchange and set aside for those types of services. The PUD asked specifically for a direct transfer of the Staley Road parcel. He explained that there are parcels in the exchange that will be moved to other entities post exchange. He pointed out that this is a facilitated exchange which is different than most in that we are trading trust lands to an exchange facilitator who is bringing in a number of different property owners with lands that we

will receive. In this case between 10 and 12 different ownerships, this allows us to diversify our assets in a much quicker way than if we were to do one on one transaction's with each one of those individual groups. This allows us to trade out of lands that can go into conservation needs, for example the Nature Conservancy will be receiving about 6 sections of land to further their conservation purposes and agenda. We'll acquire timber lands in the northeast which will allow us to block up our ownership, also we'll be acquiring irrigated farm land, and dry land wheat farms with this one transaction

Mr. Nichols thanked Mr. Saunders for his presentation and noted that he will follow up with him if he has any more questions.

#### Aquatic HCP

The Aquatic HCP presentation was postponed. It has been added to the January 8, 2008 agenda.

#### **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

None

Meeting adjourned at 9:36 a.m.

Approved this 8 day of January, 2008

Doug Sutherland  
Doug Sutherland, Commissioner of Public Lands

Bob Nichols, for  
Bob Nichols for Governor Christine Gregoire

absent  
Terry Bergeson, Superintendent of Public Instruction

absent  
Jon C. Kaino, Commissioner, Pacific County

B. B. Bare  
Bruce Bare, Dean, University of Washington

absent  
Daniel J. Bernardo, Dean, Washington State University

Attest:

Bonita R. Hill  
Bonita Hill, Board Coordinator